

## Message Text

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70

ACTION ARA-10

INFO OCT-01 ISO-00 PER-01 AID-05 FS-01 L-03 ABF-01 /022 W

----- 082454

R 062203Z APR 76

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 9690

INFO AMEMBASSY BOGOTA

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DEPT PLEASE PASS TO AID

FOR PER/ES/LP-MR. WEINSTEIN

FOR ARA/MGT

BOGOTA FOR USAID REGIONAL LEGAL  
ADVISOR

E.O. 11652: N/A

TAGS: APER AFSP EC

SUBJ: LOCAL PERSONNEL: USG PARTICIPATION IN GOE SOCIAL  
SECURITY SYSTEM

REF: (A) STATE 081192, (B) QUITO 2455

1. SEE REFTEL (B) FOR REPLY REGARDING SICK COMPENSATION  
PAYMENTS.

2. VACATION AND TIME OFF. COPIES OF LOCAL STUDY OF  
EMPLOYERS POUCHES APRIL 6 ADDRESSED TO PER/ES/LP.

3. EMBASSY RECONFIRMS THAT LABOR CODE OF ECUADOR RDBUIRES  
25 PERCENT SEVERANCE PAYMENT IN ADDITION TO REQUIRED  
ANNUAL PAYMENTS TO RESERVE FUMT. RESERVE FUND PAYMENTS  
ARE ONE-TWELFTH OF YEARLY EARNINGS AFTER FIRST HEAR OF  
SERVICE. QUOTED ARE PERTINENT SECTIONS OF LABOR CODE

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FOR THESE TWO ITEMS:

SEVERANCE PAY--

ARTICLE 164--DESAHUCIO IS A NOTICE SERVED BY EITHER PARTY ON THE OTHER PARTY TO LET THE LATTER KNOW THAT IT IS HIS WISH TO TERMINATE THE EMPLOYMENT. THIS NOTICE IS THE LEGAL BASIS FOR SEVERANCE PAY TO THE WORKER.

ARTICLE 165--WITHOUT DEROGATING FROM THE PROVISIONS IN ARTICLE 164, THE EMPLOYER SHALL PAY THE WORKER A BONUS OF 25 PERCENT OF THE LAST MONTHLY COMPENSATION FOR EACH YEAR OF EMPLOYMENT WITH ONE COMPANY OR EMPLOYER, UNLESS IT IS A CASE OF A FIXED TERM CONTRACT EXECUTED ONCE ONLY.

--WHEN NOTICE OF TERMINATION HAS BEEN GIVEN BY THE EMPLOYER, THE LABOR INSPECTOR DURING THE 30-DAY PERIOD, WILL SETTLE THE AMOUNT REPRESENTING THE BONUSES AND THE NOTICE OF TERMINATION WILL BE NULL AND VOID IF, AT THE END OF THE PERIOD AFORESAID, THE EMPLOYER FAILS TO DEPOSIT THE AMOUNT DETERMINED BY THE SETTLEMENT MADE.

--THE FOREGOING DOES NOT AFFECT THE WORKERS'S RIGHT TO BE PAID ANY INDEMNIFICATIONS TO WHICH THE WORKER MAY BE ENTITLED UNDER OTHER PROVISIONS.

RESERVE FUND PAYMENTS--

ARTICLE 177--EVERY WORKER WHO HAS BEEN EMPLOYED FOR MORE THAN ONE YEAR SHALL BE ENTITLED TO BE PAID BY HIS EMPLOYER AN AMOUNT EQUIVALENT TO ONE MONTHLY SALARY OR WAGES FOR EACH FULL YEAR AFTER THE FIRST YEAR OF EMPLOYMENT. THESE AMOUNTS WILL CONSTITUTE HIS RESERVE FUND OR CAPITALIZED LABOR.

--A WORKER MAY NOT FORFEIT THIS RIGHT FOR ANY REASON WHATSOEVER. THE AMOUNT COVERING EACH YEAR OF EMPLOYMENT WILL BE DETERMINED IN ACCORDANCE WITH THE PROVISION IN ARTICLE 94.

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ARTICLE 182--THE AMOUNTS PAYABLE BY THE EMPLOYER AS RESERVE FUND SHALL BE DEPOSITED, ON EITHER A MONTHLY OR A YEARLY BASIS, WITH THE ECUADOREAN SOCIAL SECURITY INSTITUTE FOR THE PURPOSES DETERMINED IN THE LAW AND ITS BYLAWS.

ARTICLE 183--A WORKER WHO IS NOT AN AFFILIATED MEMBER OF THE ECUADOREAN SOCIAL SECURITY INSTITUTE SHALL BE PAID BY

HIS EMPLOYER WHEN HE IS SEPARATED FROM HIS EMPLOYMENT FOR ANY REASON, THE TOTAL AMOUNT OF HIS RESERVE FUND, PLUS INTEREST AT THE RATE OF 6 PERCENT PER ANNUM ON SUCH FUND FROM THE DATE WHEN SUCH AMOUNTS BECAME PAYABLE, PROVIDED THAT THE WORKER HAS NOT USED SUCH AMOUNTS IN ADVANCE AS PERMITTED BY THE LAW.

--IN CASES WHERE A WORKER HAS TO TAKE LEGAL ACTION IN ORDER TO BE PAID HIS RESERVE FUND AND THE COURT PASSES SENTENCE IN HIS FAVOR, IN WHOLE OR IN PART, THE EMPLOYER SHALL PAY THE AMOUNT IN QUESTION TO THE WORKER, PLUS A SURCHARGE OF 50 PERCENT.

4. MISSION STILL AWAITING WORD FROM IESS ON AGREEMENT FOR CURRENT EMPLOYEES. WILL KEEP DEPARTMENT INFORMED. BREWSTER

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## Message Attributes

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